

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF OHIO
EASTERN DIVISION

UNITED STATES OF AMERICA,)	CASE NO.: 1:21CR491
)	
Plaintiff,)	JUDGE J. PHILIP CALABRESE
)	
v.)	
)	
PAUL SPIVAK, ET AL.,)	<u>PARTIALLY JOINT PROPOSED</u>
)	<u>PRELIMINARY STATEMENT</u>
Defendants.)	

The United States of America, by and through its counsel, Rebecca C. Lutzko, United States Attorney, and Elliot Morrison, Megan R. Miller, and Stephanie A. Wojtasik, Assistant U.S. Attorneys, and David DeVillers and David Slovick, Attorneys for Defendant Charles Scott, hereby submit the following joint proposed preliminary statement in accordance with this Court's Trial Order.¹

PRELIMINARY STATEMENT

Defendant Paul Spivak was Chief Executive Officer of U.S. Lighting Group, Inc., also referred to as USLG, which was a technology company located in Eastlake, Ohio. Mr. Spivak controlled a substantial number of outstanding restricted and free-trading shares of USLG. Defendant Charles Scott controlled a substantial number of outstanding restricted and free-trading shares of USLG. Defendant Olga Smirnova was the former Vice President of Finance for USLG. The United States alleges that Mr. Spivak, Ms. Smirnova, and Mr. Scott committed violations of federal law as outlined in the Second Superseding Indictment.

¹ After several discussions with Defendant Spivak and Smirnova's counsel, the parties are unable to agree on a Preliminary Statement. Accordingly, the government submits this joint submission with Defendant Scott.

Counts 1 and 2 allege that Mr. Spivak, Ms. Smirnova, and Mr. Scott conspired with one another and others to commit securities fraud in connection with the sale of USLG stock by employing schemes to defraud, making materially false statements and omissions, and employing fraudulent and deceitful practices vis-à-vis the investing public and sellers and purchasers of USLG stock. Among other things, the government alleges that Mr. Spivak, Ms. Smirnova, and others arranged to pay inflated and undisclosed commissions to co-conspirators who helped facilitate the sale of the USLG shares and then kicked back proceeds of the stock sales to Mr. Spivak and USLG. The government also alleges that Mr. Scott and others arranged with Mr. Spivak to hold and sell shares of USLG and then share proceeds of those stock sales with Mr. Spivak and USLG.

The Indictment charges Mr. Spivak (Counts 5-12, 18-20, and 22) and Mr. Scott (Counts 13 and 20) with substantive counts of securities fraud for participating in a scheme to defraud USLG investors in connection with the purchase and sale of USLG stock. The government alleges that Mr. Spivak and Mr. Scott knowingly and willfully caused investors to purchase shares of USLG stock under false pretenses.

The Indictment charges Mr. Spivak (Counts 23-47) and Mr. Scott (Counts 45 and 47) with wire fraud for participating in a scheme to defraud USLG investors by means of false and fraudulent representations and omissions. The government alleges that Mr. Spivak and Mr. Scott knowingly caused and received kickbacks of proceeds from the sale of USLG stock.

And Count 49 alleges that Mr. Spivak made a materially false statement to a United States Magistrate Judge in the Northern District of Ohio during a hearing to determine whether Mr. Spivak posed a serious flight risk or serious risk of obstruction and threat to witnesses. The government alleges that Mr. Spivak knowingly lied to the Court about the existence of a hidden

compartment in his bedroom that could be and was used to store firearms, specifically, an AR-15 rifle.

Mr. Spivak, Ms. Smirnova, and Mr. Scott each deny the allegations against them.

Respectfully submitted,

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